

UNITED STATES DISTRICT COURT  
EASTERN DISTRICT OF NEW YORK

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UNITED STATES OF AMERICA,	:	17-CR-00224(PKC)
	:	
	:	
-against-	:	United States Courthouse
	:	Brooklyn, New York
	:	
RICHARD K. LAI,	:	Thursday, April 27, 2017
	:	12:00 p.m.
Defendant.	:	
	:	

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TRANSCRIPT OF CRIMINAL CAUSE FOR PLEADING  
BEFORE THE HONORABLE PAMELA K. CHEN  
UNITED STATES DISTRICT JUDGE

A P P E A R A N C E S:

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Proceedings recorded by mechanical stenography, transcript  
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1 THE COURTROOM DEPUTY: Criminal cause for pleading.  
2 Docket, 17-cr-00224, USA versus John Doe.

3 Will the parties please state their appearances for  
4 the record.

5 MR. TUCHMANN: Good afternoon, Your Honor. Paul  
6 Tuchmann for the United States. With me is Nadia Shihata and  
7 Saritha Komatireddy.

8 MR. ABBOTT: Good afternoon, Your Honor. Andrew  
9 Abbott from Pretrial Services.

10 MR. RAPADAS: Good afternoon, Your Honor. Leonard  
11 Rapadas representing Mr. Lai.

12 THE COURT: Good afternoon to both of you.

13 I want to deal with one initial matter which has to  
14 do with your admission to this court. I understand that you  
15 are in the process of submitting your pro hac vice  
16 application.

17 MR. RAPADAS: Yes, I am.

18 THE COURT: I want to set a deadline to get this  
19 done. I gather the Government doesn't have a problem with us  
20 proceeding with the attorney while he is not yet admitted; is  
21 that correct?

22 MR. TUCHMANN: That is correct, Your Honor. I'll  
23 state for the record that Mr. Rapadas is a former U.S.  
24 Attorney in Guam and the former Attorney General of Guam.

25 THE COURT: The former Attorney General of Guam?

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1 MR. RAPADAS: The former, yes.

2 THE COURT: Okay, he does have some qualifications.

3 MR. TUCHMANN: It's my understanding he's admitted  
4 in the District of Guam, the ninth circuit, and the Supreme  
5 Court of the United States it looks like it's getting the  
6 paperwork together and he is clearly qualified to practice in  
7 this court.

8 THE COURT: I gather you are waiting for some  
9 certification to come through.

10 MR. RAPADAS: It's on the way.

11 THE COURT: How much time do you want for that?

12 MR. RAPADAS: Your Honor, it's actually going to hit  
13 the hotel tomorrow. I have the PDF. If the court accepts a  
14 PDF --

15 THE COURT: Why don't I give you two weeks just so  
16 we have a deadline and make sure it does not fall through the  
17 cracks. Otherwise, my deputy will yell at me. Let's set a  
18 date.

19 THE COURTROOM DEPUTY: May 11th.

20 THE COURT: For defense counsel to submit his pro  
21 hac vice application.

22 MR. RAPADAS: Thank you, Your Honor. Just for the  
23 record, I'm already moving for pro hac vice admission.

24 THE COURT: Okay. I will grant that contingent upon  
25 approval from the clerk's office and the review of the

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1 paperwork, but given the representations made to me, I do not  
2 have a reason to think there will be a problem.

3 MR. RAPADAS: Thank you.

4 THE COURT: So we are here for two reasons; one is  
5 we are going to address an Information that is being filed and  
6 I think a waiver of indictment as well as a plea.

7 Correct?

8 MR. TUCHMANN: Yes, Your Honor.

9 THE COURT: Why don't we start first with the  
10 allocution regarding the Information or the advice, I guess I  
11 should say.

12 Mr. Rapadas, I understand that your client, as I  
13 mentioned a moment ago, wishes to waive indictment and plead  
14 guilty to an Information; is that correct?

15 MR. RAPADAS: Yes, Your Honor.

16 THE COURT: You can have a seat throughout the  
17 proceeding.

18 Now, Mr. Lai, I understand, as I just confirmed with  
19 your attorney, that you wish to waive indictment and plead  
20 guilty to an Information on which you are charged in this  
21 matter; is that correct?

22 THE DEFENDANT: Yes, ma'am.

23 THE COURT: Now, this is a very serious decision and  
24 I must make certain that you are making both the decision to  
25 waive indictment and to plead guilty knowing and understanding

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1 your rights and the consequences of your decisions.

2 In addition to explaining the rights that you will  
3 be giving up by waiving indictment and pleading guilty, there  
4 are a number of questions I have to ask you to establish that  
5 you are acting knowingly and voluntarily.

6 Do you understand that?

7 THE DEFENDANT: Yes, Your Honor.

8 THE COURT: Okay. If you do not at any time  
9 understand any of my questions, let me know and I will  
10 rephrase them for you.

11 THE DEFENDANT: Yes, Your Honor.

12 THE COURT: Further, if you would like to consult  
13 further with your attorney, just let me know and I will give  
14 you as much time as you need.

15 THE DEFENDANT: Yes.

16 THE COURT: Your answers to my questions have to be  
17 under oath so I am going to have you stand and raise your  
18 right hand.

19 R I C H A R D K. L A I,

20 called by the Court, having been first duly sworn,  
21 was examined and testified as follows:

22 THE COURT: You should understand, Mr. Lai, that now  
23 that you are under oath if you answer any of my questions  
24 falsely, and by that I mean knowing that the answer is false,  
25 those answers can be used against you in a separate

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1 prosecution for perjury or making a false statement.

2 Do you understand that?

3 THE DEFENDANT: Yes, Your Honor.

4 THE COURT: Let's start by having you state your  
5 full name for the record.

6 THE DEFENDANT: My name is Richard K. Lai.

7 THE COURT: How old are you?

8 THE DEFENDANT: Fifty-five years old.

9 THE COURT: How much formal education have you had?

10 THE DEFENDANT: I have a bachelor's of science  
11 degree in mechanical engineering.

12 THE COURT: Have you ever been treated or  
13 hospitalized for any mental illness?

14 THE DEFENDANT: No.

15 THE COURT: Are you currently or have you recently  
16 been under the care of a doctor or a psychiatrist for any  
17 reason?

18 THE DEFENDANT: Not recently.

19 THE COURT: When was the last time you received any  
20 kind of medical or psychiatric --

21 THE DEFENDANT: About nine months ago.

22 THE COURT: Are you taking any medication in  
23 connection with your treatment?

24 THE DEFENDANT: Not now.

25 THE COURT: Okay. When did you stop?

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1 THE DEFENDANT: I stopped about -- I would say about  
2 four or five months ago.

3 THE COURT: Do you feel that you are suffering any  
4 effects from any medication or treatment that you had as of  
5 four or five months ago?

6 THE DEFENDANT: No.

7 THE COURT: Have you ever been treated or  
8 hospitalized for any type of addiction such as drugs or  
9 alcohol?

10 THE DEFENDANT: Never.

11 THE COURT: Have you taken any drugs, medicine or  
12 pills or had any alcoholic beverages within the last two days?

13 THE DEFENDANT: No.

14 THE COURT: Is your mind clear today?

15 THE DEFENDANT: Yes.

16 THE COURT: And you understand fully why you are  
17 here?

18 THE DEFENDANT: Yes, I do.

19 THE COURT: Mr. Lai, have you received a copy of the  
20 Information in which you are charged and also which contains  
21 the forfeiture allegations made against you?

22 THE DEFENDANT: Yes, I did.

23 THE COURT: Have you fully discussed the charges in  
24 the forfeiture allegation with your attorney?

25 THE DEFENDANT: Yes, I did.

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1 THE COURT: Do you know the charges that you are  
2 facing?

3 THE DEFENDANT: Yes, I do.

4 THE COURT: Do you understand the nature of the  
5 forfeiture allegations?

6 THE DEFENDANT: Yes, I do.

7 THE COURT: Now, instead of an indictment, these  
8 felony charges have been brought by the filing of an  
9 Information by the United States Attorney. You have a  
10 Constitutional right to be charged by indictment returned by a  
11 grand jury, but you can waive that right and consent to being  
12 charged by information that is put forth by the United States  
13 attorney.

14 Unless you waive indictment though, you may not be  
15 charged with a felony unless a grand jury finds, by return of  
16 an indictment, that there is probable cause to believe that  
17 these crimes have been committed and that they had been  
18 committed by you. Do you understand that?

19 THE DEFENDANT: Yes, I do.

20 THE COURT: Now, if you do not waive indictment, the  
21 Government would have to present the case to a grand jury and  
22 ask it to indict you in order for you to be charged with these  
23 very crimes. Do you understand that?

24 THE DEFENDANT: Yes.

25 THE COURT: Now, a grand jury is composed of at



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1 least 16 but not more than 23 persons and at least twelve of  
2 those grand jurors would have to find that there is probable  
3 cause to believe that you committed the crimes with which you  
4 are charged. Do you understand that?

5 THE DEFENDANT: Yes.

6 THE COURT: Now, the Grand Jury may or may not  
7 indict you. If you waive indictment, however, by the Grand  
8 Jury the case will proceed against you on the U.S. Attorney's  
9 Information alone as if you had been indicted by the Grand  
10 Jury. Do you understand that?

11 THE DEFENDANT: Yes.

12 THE COURT: Do you understand the right that you  
13 will be giving up, Mr. Lai, by waiving indictment by a grand  
14 jury?

15 THE DEFENDANT: Yes, I do.

16 THE COURT: And are you willing to give up that  
17 right?

18 THE DEFENDANT: Yes, I do.

19 THE COURT: Have you discussed this decision with  
20 your attorney?

21 THE DEFENDANT: Yes, I did.

22 THE COURT: Have any threats or promises been made  
23 to induce you to waive your right to indictment by a grand  
24 jury?

25 THE DEFENDANT: No.

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1 THE COURT: And are you waiving your right to  
2 indictment voluntarily and of your own free will?

3 THE DEFENDANT: Yes.

4 THE COURT: Mr. Rapadas, do you know of any reason  
5 why your client should not waive indictment?

6 MR. RAPADAS: No, Your Honor, not at this time.

7 THE COURT: Mr. Lai, I understand that you have  
8 executed a written waiver form; is that correct?

9 THE DEFENDANT: Yes.

10 THE COURT: I am looking at the document now. I  
11 will go ahead and sign that. It's been signed by both you and  
12 your counsel.

13 I do find that Mr. Lai's waiver of indictment is  
14 knowing and voluntary and I, therefore, have accepted it.

15 Now, going back to the Information, you indicated,  
16 Mr. Lai, that you reviewed that document and discussed it with  
17 your attorney; correct?

18 THE DEFENDANT: Yes.

19 THE COURT: Would you like me to read the  
20 Information to you or do you waive a reading of the  
21 Information?

22 THE DEFENDANT: Not necessary.

23 MR. RAPADAS: Your Honor, we waive.

24 THE COURT: Just to summarize, however, you are  
25 charged with three separate counts in this Information. The

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1 first two charge you with participating in a wire fraud  
2 conspiracy and the third one charges you with willfully  
3 failing to file a report to the Treasury Department regarding  
4 your control or ownership of foreign bank and financial  
5 accounts.

6 Are you familiar with those particular charges?

7 THE DEFENDANT: Yes, I am.

8 THE COURT: As I mentioned earlier, the Information  
9 also contains a forfeiture allegation relating to Counts 1 and  
10 2 against you. Are you familiar with that as well?

11 THE DEFENDANT: Yes.

12 THE COURT: Are you fully satisfied, Mr. Lai, with  
13 the representation, counsel and advice given to you by your  
14 attorney in this case?

15 THE DEFENDANT: Yes, I do.

16 THE COURT: And have you had sufficient opportunity  
17 to discuss with him the matter of pleading guilty?

18 THE DEFENDANT: Yes.

19 THE COURT: As I mentioned before, you and your  
20 attorney have indicated that you want to plead guilty in this  
21 matter and to the Information, all three counts; is that  
22 correct?

23 THE DEFENDANT: Yes; correct.

24 THE COURT: Mr. Rapadas, have you discussed the  
25 matter of pleading guilty with your client?

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1 MR. RAPADAS: Yes, I have, Your Honor.

2 THE COURT: Does he understand the rights that he  
3 will be giving up by pleading guilty?

4 MR. RAPADAS: I believe so.

5 THE COURT: Is he capable of understanding the  
6 nature of these proceedings?

7 MR. RAPADAS: Yes, he is, Your Honor.

8 THE COURT: Do you have any doubts as to his  
9 competence to plead guilty at this time?

10 MR. RAPADAS: I have none.

11 THE COURT: And have you advised him of the maximum  
12 and minimum sentence that can be imposed in this case?

13 MR. RAPADAS: Yes, I have.

14 THE COURT: And have you discussed with him the  
15 effect of the Sentencing Guidelines.

16 MR. RAPADAS: Yes.

17 THE COURT: Mr. Lai, I want to advise you of the  
18 rights that you will be waiving by pleading guilty. First,  
19 you have a right to continue not to plead guilty. Do you  
20 understand that?

21 THE DEFENDANT: Yes.

22 THE COURT: No one can be forced to plead guilty.  
23 If you persisted in your not guilty plea, you would have a  
24 right under the Constitution and laws of the United States to  
25 a speedy and public trial by jury. Do you understand that?

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1 THE DEFENDANT: Yes.

2 THE COURT: The trial you would be presumed to be  
3 innocent and the Government would have to prove your guilt  
4 beyond a reasonable doubt. Do you understand that?

5 THE DEFENDANT: Yes.

6 THE COURT: You would have the right to the  
7 assistance of counsel for your defense and Mr. Rapadas would  
8 continue to represent you in the trial and all other  
9 proceedings related to the trial. Do you understand that?

10 THE DEFENDANT: Yes.

11 THE COURT: You would have the right to see and hear  
12 all witnesses and to have them cross-examined in your defense.  
13 Do you understand?

14 THE DEFENDANT: Yes.

15 THE COURT: You would have the right not to testify  
16 at the trial unless you voluntarily chose to do so in your own  
17 defense. Do you understand that?

18 THE DEFENDANT: Yes.

19 THE COURT: You would have the right to compel the  
20 attendance of witnesses to testify in your defense. Do you  
21 understand?

22 THE DEFENDANT: Yes.

23 THE COURT: Now, if you decided not to testify or  
24 not to put on any evidence at the trial, the fact that you did  
25 not do so could not be used against you.

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1 Do you understand that?

2 THE DEFENDANT: Yes.

3 THE COURT: Now, by entering a guilty plea, if I  
4 accept your plea there will be no trial and you will have  
5 given up your right to a trial and all of these other rights  
6 that I have just described. Do you understand?

7 THE DEFENDANT: Yes, do I.

8 THE COURT: I will simply enter a judgment of guilt  
9 on the basis of your guilty plea. Do you understand that?

10 THE DEFENDANT: Yes.

11 THE COURT: If you plead guilty, I will have to ask  
12 you questions about what you did in order to satisfy myself  
13 that you are, in fact, guilty of the crimes that you are  
14 pleading guilty to. Now, by answering my questions you will  
15 be giving up your right against self-incrimination.

16 Do you understand that?

17 THE DEFENDANT: Yes.

18 THE COURT: Do you understand each and every one of  
19 the rights that I have just explained to you, Mr. Lai?

20 THE DEFENDANT: Yes, I do.

21 THE COURT: Are you willing to give up each and  
22 every one of these rights?

23 THE DEFENDANT: Yes, Your Honor.

24 THE COURT: Now, as I mentioned before, you have  
25 indicated, as has your counsel and the Government, that you

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1 are pleading guilty pursuant to a plea agreement with the  
2 Government and that has been marked as Court Exhibit Number 1.

3 (Court Exhibit 1, received in evidence.)

4 THE COURT: Did you sign that agreement on the last  
5 page above where your name is typed?

6 THE WITNESS: Yes, I did.

7 THE COURT: Did you have an opportunity to read and  
8 discuss the agreement before signing it?

9 THE DEFENDANT: Yes, I did.

10 THE COURT: And when I say, discuss, I am sorry,  
11 discuss it with your attorney.

12 THE DEFENDANT: Yes, I did.

13 THE COURT: Did you have sufficient time to do that?

14 THE DEFENDANT: Yes, I do.

15 THE COURT: Do you understand the terms of your  
16 agreement?

17 THE DEFENDANT: Yes, I do.

18 THE COURT: Mr. Rapadas, do you feel you have had  
19 sufficient time to review the plea agreement with your client?

20 MR. RAPADAS: I believe have, Your Honor.

21 THE COURT: Mr. Lai, do you have any questions at  
22 all about the agreement?

23 THE DEFENDANT: No, Your Honor.

24 THE COURT: Does the agreement represent your entire  
25 understanding with the Government?

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1 THE DEFENDANT: Yes, I do. I mean it represents,  
2 yes.

3 THE COURT: Has anyone made any promise or assurance  
4 to you that is not in the agreement to get you to accept it?

5 THE DEFENDANT: No.

6 THE COURT: Has anyone threatened you in any way to  
7 persuade you to accept the plea agreement?

8 THE DEFENDANT: No.

9 THE COURT: Are you pleading guilty of your own free  
10 will because you are, in fact, guilty?

11 THE DEFENDANT: Yes, I am.

12 THE COURT: Mr. Rapadas, were all formal plea offers  
13 from the Government communicated to your client?

14 MR. RAPADAS: Yes, they were, Your Honor.

15 THE COURT: Mr. Lai, I am now going to advise you of  
16 the potential penalties that you face by pleading guilty to  
17 these three offenses. Counts 1 and 2, as I mentioned, charge  
18 you with wire fraud conspiracy. The penalties for that crime  
19 are as follows: The maximum term of imprisonment you face on  
20 each of those counts is 20 years. There is no mandatory  
21 minimum sentence. The maximum term of supervised release that  
22 you face on each of these counts is three years.

23 Now, supervised release refers to a period of time  
24 when you will be subject to supervision by the Probation  
25 Department and that will be after any term of imprisonment, if



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1 any, you serve in this case.

2 During your period of supervised release, there are  
3 rules that you have to follow and if you violate any of those  
4 rules, you can be sent back to prison for up to two additional  
5 years; and that would be beyond whatever time you may have  
6 spent in jail and it would not include any time that you may  
7 have spent on supervised release.

8 Also, I could sentence you to that term without a  
9 trial of any kind. Do you understand that?

10 THE DEFENDANT: Yes, I do.

11 THE COURT: You also face a possible maximum fine of  
12 the greater of \$250,000 or twice the gross gain or loss caused  
13 by your crimes as charged in Counts 1 and 2.

14 Do you understand that?

15 THE DEFENDANT: Yes.

16 THE COURT: You will be required to pay restitution,  
17 it is mandatory, in the full amount of each victim's losses as  
18 I determine at the time of sentencing for each of these  
19 counts. Do you understand?

20 THE DEFENDANT: Yes.

21 THE COURT: In addition, I will have to impose a  
22 special assessment of \$100 for each of these counts for a  
23 total of \$200. Do you understand that?

24 THE DEFENDANT: Yes.

25 THE COURT: Finally, as to each of these counts you

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1 face criminal forfeiture and the details about that are set  
2 forth in your plea agreement in paragraphs 7 through 14.

3 Have you reviewed those with your attorney?

4 THE DEFENDANT: Yes, I did.

5 THE COURT: You understand that you will be subject  
6 to forfeiture?

7 THE DEFENDANT: Yes, I do.

8 THE COURT: Turning to Count 3 which charges you  
9 with failing to file a report to the Treasury Department about  
10 foreign bank accounts that you controlled or owned.

11 The maximum term of imprisonment that you face for  
12 that charge is ten years. There is no minimum term of  
13 imprisonment. The maximum term of supervised release is again  
14 three years and that would follow any term of imprisonment, if  
15 any, that you serve. Again, you can be sent back to prison  
16 for up to two years if you violate any term of supervised  
17 release.

18 Do you understand that?

19 THE DEFENDANT: Yes, I do.

20 THE COURT: The maximum fine you face for Count 3 is  
21 \$500,000 or twice the gross gain or gross loss caused by the  
22 offense and you will have to pay restitution again, as set  
23 forth in paragraph 3(f) of your agreement.

24 In addition, you have agreed to file amended tax  
25 returns with the Guam Department of Revenue and Taxation.

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1 Do you understand that?

2 THE DEFENDANT: Yes, I do.

3 THE COURT: Again, you will have to pay a special  
4 assessment of \$100 on this count, so the total is now \$300.

5 Lastly, there is a civil monetary penalty of  
6 \$308,634 that will be assessed against you pursuant to your  
7 plea agreement. Do you understand that?

8 THE DEFENDANT: Yes.

9 THE COURT: Finally, I have to advise you that since  
10 you have been charged in multiple counts, the sentence on  
11 these counts could run consecutively; that means one after the  
12 other. Do you understand that?

13 THE DEFENDANT: Yes.

14 THE COURT: Both are possible that they could run  
15 concurrently, but I have the authority to have them run  
16 end-to-end. Do you understand that?

17 THE DEFENDANT: Yes.

18 THE COURT: So each maximum could be added together  
19 for a total of, in theory, 50 years. Do you understand that?  
20 That would be the maximum if they were all added together.

21 THE DEFENDANT: Yes.

22 THE COURT: Did I miss anything? I'll turn to the  
23 Government.

24 MR. TUCHMANN: No, Your Honor.

25 THE COURT: Mr. Lai, do you understand all of the

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1 possible consequences of your guilty plea to these three  
2 charges?

3 THE DEFENDANT: Yes, Your Honor.

4 THE COURT: Let's turn now to the Advisory  
5 Sentencing Guidelines. Under the Sentencing Reform Act of  
6 1984, the United States Sentencing Commission has issued  
7 guidelines for judges like myself to follow in determining a  
8 sentence in a criminal case.

9 These guidelines are merely advisory and I will  
10 consider them along with the particular facts and  
11 circumstances of your case as well as certain sentencing  
12 factors that are set forth in Title 18 United States code  
13 Section 3553(a) in determining your sentence.

14 You should understand, Mr. Lai, that I cannot tell  
15 you and no one can predict for you what your sentence in this  
16 case will be. Do you understand that?

17 THE DEFENDANT: Yes.

18 THE COURT: Have you discussed with your attorney  
19 how the Advisory Sentencing Guidelines might apply to your  
20 case?

21 THE DEFENDANT: Yes, I did.

22 THE COURT: What you should understand about the  
23 guidelines is that I will not be able to determine what they  
24 are until after the Probation Department prepares a  
25 pre-sentence report and after you and the Government have had

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1 a chance to review that report and make any objections to it  
2 that you think are appropriate; including challenging the  
3 advisory guideline range as calculated by Probation.

4 Do you understand that.

5 THE DEFENDANT: Yes.

6 THE COURT: You should understand that as you sit  
7 here today you have no idea what your guideline range will be  
8 at the time of sentencing. Do you understand that?

9 THE DEFENDANT: Yes.

10 THE COURT: You also should understand that the  
11 sentence I impose could be very different than what you hope  
12 for or expect. Do you understand that?

13 THE DEFENDANT: Yes.

14 THE COURT: If, in fact, the guideline range that's  
15 applied at the time of sentencing is different than what you  
16 hope for or expect, you cannot take your guilty plea back.

17 Do you understand that?

18 THE DEFENDANT: Yes.

19 THE COURT: And if the sentence that I impose is  
20 different than what you hoped for or expect, you cannot take  
21 your guilty plea back. Do you understand that?

22 THE DEFENDANT: Yes.

23 THE COURT: You should also understand that there is  
24 no parole in the federal system. If you are sentenced to a  
25 term of incarceration, you will not be released on parole.

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1 Do you understand that?

2 THE DEFENDANT: Yes.

3 THE COURT: Do you have any questions, Mr. Lai,  
4 about the rights that you are giving up, the punishments that  
5 you face, the plea agreement, the nature of the charges or  
6 anything else relating to this matter?

7 THE DEFENDANT: No.

8 THE COURT: Are you prepared to plead guilty?  
9 Do you need any time?

10 THE DEFENDANT: No.

11 THE COURT: Are you prepared to plead guilty,  
12 Mr. Lai?

13 THE DEFENDANT: Yes, I am.

14 THE COURT: Mr. Rapadas, do you know of any reason  
15 why your client should not plead guilty?

16 MR. RAPADAS: No, I don't, Your Honor.

17 THE COURT: Let's start with Count 1 of the  
18 Information which charges you with participating in a wire  
19 fraud conspiracy relating to the 2011 FIFA presidential  
20 election scheme.

21 Before we get to that, I have a few more questions  
22 to ask you.

23 Are you making your pleas of guilt, Mr. Lai,  
24 voluntarily and of your own free will?

25 THE DEFENDANT: Yes, I do.

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1           THE COURT: Has anyone threatened or forced you to  
2 plead guilty.

3           THE DEFENDANT: No.

4           THE COURT: Other than the plea agreement with the  
5 Government, has anyone made you any promise that has caused  
6 you to plead guilty?

7           THE DEFENDANT: No.

8           THE COURT: Has anyone made you any promise as to  
9 what your sentence will be?

10          THE DEFENDANT: No.

11          THE COURT: Has anyone threatened you in order to  
12 get you to plead guilty?

13          THE DEFENDANT: No.

14          THE COURT: Now, tell me what your own words what  
15 makes you guilty of Count 1.

16          MR. RAPADAS: Your Honor, if it please the Court,  
17 Mr. Lai has a written statement he'd like to --

18          THE COURT: Is it intended to cover all three?

19          MR. RAPADAS: Yes, it is.

20          THE COURT: All right. Proceed.

21          THE DEFENDANT: Since approximately 2001, I have  
22 served as the president of Guam Football Association. At  
23 various times since 2001, I have also served on various  
24 committees of the Asian Football Confederation including the  
25 executive committee, the finance committee, of which I was the

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1 chairman and the marketing committee.

2 Since 2013 I have also served on the FIFA audit and  
3 compliance committee. As an official of GFA, the AFC and  
4 FIFA, I owe a fiduciary duty of loyalty to those organization.  
5 I also understood that other officials of the AFC and FIFA,  
6 and officials of other national soccer federations owe a  
7 fiduciary duty of loyalty to the organization.

8 As related to Count 1, in about January 2011 an AFC  
9 officer who has been described in the Information as  
10 Co-Conspirator #1 approached me and offered me \$100,000 if I  
11 would serve as a consultant to his construction business in  
12 connection with purchasing construction material in China.

13 At that time, I operated restaurants in Guam, and  
14 while I had earned an engineering degree decades before, I had  
15 never performed any kind of consulting in the construction  
16 field for Co-Conspirator #1 or anyone else.

17 When Co-Conspirator #1 make his offer to me, I had  
18 publicly opposed many of Co-Conspirator #1's policies and  
19 practice as head of the AFC.

20 And when he announced his candidacy for the  
21 president of FIFA a few months later, I understood that  
22 Co-Conspirator #1 was seeking to pay me a bribe in exchange  
23 for my support and my vote as president of the GFA.

24 When Co-Conspirator #1 first offered me this  
25 consultant fee, I told him that I would consider it and I



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1 asked him to send me a consultant agreement.

2 In about March 2011, Co-Conspirator #1 publicly  
3 announced his candidacy for the presidency of FIFA and when I  
4 saw him again I asked him for the consulting agreement we had  
5 discussed before.

6 By asking him for the consulting agreement, I was  
7 communicating to him that I was actively considering voting  
8 for him and supporting him in candidacy for the presidency of  
9 FIFA and that I was considering taking that 100,000 in  
10 so-called consulting fee in exchange for my vote.

11 Co-Conspirator #1 said the consulting agreement was  
12 still being prepared and that he would send it to me.

13 In April 2011, while I was at home in Guam I used an  
14 online login to access information regarding to a personal  
15 bank account I held in HSBC Bank in the Philippines and  
16 noticed that 50,000 has been wired to that account from an  
17 account in Qatar that I understood was controlled by  
18 Co-Conspirator #1.

19 After I noticed this deposit, I called  
20 Co-Conspirator #1 and asked him what the money was for. He  
21 said not to worry about it because the money was for the  
22 consulting and that he would send me a consulting contract  
23 soon.

24 I understood that Co-Conspirator #1 has sent me  
25 these funds in an effort to bribe me to support him in the

1 upcoming FIFA presidential election and that any consulting  
2 contract that he would send me would be a sham contract for  
3 which I wouldn't actually do any work.

4 In early May 2011, another 50,000 was wired from an  
5 account in Qatar to my is account in HSBC in Philippine and I  
6 understood that Co-Conspirator #1 had sent me those funds for  
7 the same reason.

8 During this period I communicated with  
9 Co-Conspirator #1 about the agreement using my AOL e-mail  
10 address.

11 In June 2011, it became publicly known that  
12 Co-Conspirator #1 was suspended from FIFA because of bribe he  
13 had offered to official of soccer federations from the  
14 Caribbean to support his candidacy for FIFA president.

15 However, I kept 100,000 that Co-Conspirator #1 had  
16 sent me and I never disclosed to FIFA, AFC, the GFA or any  
17 other soccer organization; even though I knew that FIFA was  
18 conducting investigation into Co-Conspirator #1 paying bribe  
19 for presidential election votes.

20 I would received a consulting agreement from  
21 Co-Conspirator #1 like he said I would. I never performed any  
22 consulting work for him or his construction company because of  
23 his suspension. Co-Conspirator #1 never actually stood for  
24 election for president of FIFA.

25 THE COURT: Let me pause you for a moment just so we

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1 have all of the relevant facts in one place.

2 Is it correct that you're waiving any challenge to  
3 the venue or the statute of limitations with respect to Count  
4 1?

5 MR. RAPADAS: Yes, Your Honor.

6 THE COURT: Do you understand, Mr. Lai, that  
7 ordinarily, given the nature and the timing of the charges,  
8 you might have the right to challenge the case being  
9 prosecuted here, what is called venue, or it being prosecuted  
10 at all because of the passage of time?

11 Do you understand that you are agreeing to waive any  
12 venue or statute of limitations argument or challenge that you  
13 might have?

14 THE DEFENDANT: Yes, I do.

15 THE COURT: With respect to Count 1?

16 THE DEFENDANT: Yes.

17 THE COURT: Secondly, I want a proffer from the  
18 Government. I gather that the Government has alleged and  
19 would be prepared to prove that the money that went from the  
20 Qatari account to Mr. Lai's Philippines HSBC account went  
21 through HSBC's corresponding account in Virginia; is that  
22 right?

23 MR. TUCHMANN: Your Honor, actually we would be  
24 prepared to prove that the AOL e-mails that were sent -- as  
25 part of the scheme, passed through the Eastern District of

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1 Virginia in a server held by AOL.

2 We would also allege and prove that funds were then  
3 linked to Guam afterwards as well from the Philippines.

4 THE COURT: Okay. I thought I saw reference to a  
5 corresponding account in Virginia. Is that not in connection  
6 with Count 1. Maybe I am mistaken.

7 MR. TUCHMANN: I think the corresponding account --  
8 there are corresponding accounts in the United States as  
9 alleged, but those aren't specifically alleged to be in the  
10 Eastern District of Virginia. The Eastern District of  
11 Virginia venue relates to the AOL e-mails.

12 THE COURT: Okay, fair enough.

13 MR. TUCHMANN: And the venue in Guam relates to the  
14 defendant's presence in Guam over the course of this.

15 THE COURT: With respect to Count 1, the connection  
16 to the Eastern District of Virginia is the e-mail traffic and  
17 then to the United States in general is the corresponding  
18 account.

19 MR. TUCHMANN: As well as the defendant being in  
20 Guam, actually in furtherance of the conspiracy.

21 THE COURT: Mr. Lai, you had said Co-Conspirator #1,  
22 that person was the head of the AFC at the time these acts  
23 happened; correct?

24 THE DEFENDANT: Yes.

25 THE COURT: All right. Go ahead, you can move on to

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1 Count 2.

2 THE DEFENDANT: For Count 2, as it related to Count  
3 2, in around May 2009 I attended the AFC conference in Kuala  
4 Lumpur, Malaysia. At that time Co-Conspirator #1 was the  
5 president of AFC and a member of FIFA executive committee.

6 Co-Conspirator #1's seat on the FIFA executive  
7 committee was up for a vote in 2009 at AFC Congress, with each  
8 AFC member federation receiving one vote.

9 The person who was the president of the Bahrain  
10 Football Federation who is described in the Information as  
11 Candidate #1, ran against Co-Conspirator #1 for this position  
12 on the FIFA executive committee, but Co-Conspirator #1 won by  
13 a vote of 23 to 21.

14 Candidate #1's candidacy for the FIFA executive  
15 committee had been supported by the president of Kuwait  
16 Football Association, who is described in the Information as  
17 is Co-Conspirator #2 --

18 THE COURT: Can I stop you for one second. The  
19 president of the Kuwait --

20 THE DEFENDANT: Kuwait. Co-Conspirator #2 was also  
21 the president of Olympic Council of Asia; one of the five  
22 continental associations recognized by the International  
23 Olympic Committee which governs the sport in Asia.

24 Also in the 2009 AFC Congress, Co-Conspirator #1  
25 proposed the budget for AFC for the year of 2009 to 2012. I

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1 gave a public speech at 2009 AFC Congress opposing the  
2 adoption of the proposed budget and Co-Conspirator #1's  
3 leadership of the AFC, but the Congress still adopted  
4 Co-Conspirator #1's proposed budget even after I gave the  
5 speech.

6 After I gave the speech, a person who worked for  
7 Co-Conspirator #2 at the Olympic Council Asia and who also  
8 have a position at the Kuwait Football Association and is  
9 described in the Information as Co-Conspirator number three,  
10 approached me and brought me to meet Co-Conspirator #2.

11 Co-Conspirator #2 told me that he liked my speech  
12 about the budget and agreed with my opposition to  
13 Co-Conspirator #1's leadership of the AFC.

14 Co-Conspirator #2 also asked me if I had been paid  
15 by anyone to oppose Co-Conspirator #1 and make my speech and I  
16 told him I had not.

17 Later in 2009 during a meeting with Co-Conspirator  
18 #3, we discussed the fact that Co-Conspirator #1 has been  
19 improperly withholding from the GFA development money that the  
20 AFC should have sent to the GFA. Co-Conspirator #3 told me  
21 not to worry about the development money and that he and  
22 Co-Conspirator #2 could provide us with financial support  
23 instead.

24 I told him that I needed money to hire a coach for  
25 the GFA and he said that he and Co-Conspirator #2 could

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1 provide me with 200,000 for a coach.

2 But when Co-Conspirator #3 asked me for bank account  
3 information regarding where the money shall be wired, he asked  
4 me for the account information of my personal bank account,  
5 not the Guam Football Association's bank account.

6 I gave him the account information for an account I  
7 held in HSBC in Hong Kong.

8 In November 2009 he wired 200,000 from his account  
9 in Kuwait to my HSBC account in Hong Kong. Within a few weeks  
10 after I received that money at the HSBC account in Hong Kong,  
11 I wired 200,000 to my account at First Hawaiian Bank in Guam.

12 After I received that \$200,000 wire transfer from  
13 Co-Conspirator #3 in 2009, I periodically received additional  
14 received wire transfer from account associated with  
15 Co-Conspirator #3 into my HSBC account in Hong Kong and later  
16 into account I held in Hang Seng Bank in Hong Kong.

17 I received this wire transfer after I asked  
18 Co-Conspirator #3 for additional funds for coach and sometimes  
19 he wired me money without my having asked for anything.

20 Both Co-Conspirator #3 and I understood that when we  
21 discussed money for a coach we were both using code to discuss  
22 payment for me personally. On one occasion when I saw  
23 Co-Conspirator #3, he tried to give me cash but I declined to  
24 accept it because as I told him, I could not carry more than  
25 \$10,000 in cash back to the United States without reporting it

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1 to the United States government when I enter Guam.

2 In total, I received at least 770,000 in wire  
3 transfers from accounts associated with Co-Conspirator #3 and  
4 the OCA between November of 2009 and about the fall of 2014, I  
5 understood that the source of this money was ultimately  
6 Co-Conspirator #2 and on some occasion Co-Conspirator #3 told  
7 me to send him an e-mail saying that I need funds so he could  
8 show the e-mail to Co-Conspirator #2. I never used any of  
9 those funds to pay for a coach for Guam soccer team or for any  
10 other use that benefit the GFA but rather kept them for myself  
11 and never told anyone else about them.

12 After I received the first installment of those  
13 funds in November 2009, I worked in concert with  
14 Co-Conspirator #2 Co-Conspirator #3 to try to reduce  
15 Co-Conspirator #1's influence in the AFC and try to install  
16 other people who opposed Co-Conspirator #1 in position of  
17 authority in FIFA.

18 And the AFC through politicking and votes for AFC  
19 and FIFA positions. I understand that money I received from  
20 Co-Conspirator #2 and Co-Conspirator #3 was intended to reward  
21 me for joining them in the effort and induce me to continue  
22 work with them and oppose Co-Conspirator #1.

23 As part of those efforts, I advised that  
24 Co-Conspirator #2, Co-Conspirator #3 and his assistant as to  
25 what official of AFC Federation I believe could be persuaded



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1 to oppose Co-Conspirator #1 and I arranged for Co-Conspirator  
2 #2 and Co-Conspirator #3 to meet with those officials of AFC  
3 member association.

4 After I arranged those meetings, I did not attend  
5 them myself because I understood that as a result of those  
6 meetings Co-Conspirator #3 would offer, pay or reach an  
7 agreement to pay those AFC Federation officials in exchange  
8 for their support in AFC votes and other business and I did  
9 not want to know about such payment or directly witness them.

10 THE COURT: All right. This is your allocution for  
11 Count 2?

12 THE DEFENDANT: I still have more.

13 THE COURT: Go ahead.

14 THE DEFENDANT: Another part of these efforts was  
15 that after Co-Conspirator #1 was suspended from soccer in  
16 2011, I ensured that a thorough audit was performed of the AFC  
17 financial records. The audit uncovered the misuse of funds by  
18 Co-Conspirator #1 when he was president of AFC and after this  
19 report was provided to FIFA, Co-Conspirator #1 was banned for  
20 life from football.

21 After that happened, a high-ranking FIFA officer met  
22 with me and thanked me for my work on the audit. That FIFA  
23 officer then rewarded me for those efforts by having me  
24 appointed to be the FIFA audit and compliance committee.

25 The efforts I made on behalf of Co-Conspirator #2

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1 and Co-Conspirator #3 to oppose Co-Conspirator #1 and his  
2 faction were ultimately successful, as Candidate #1 was  
3 ultimately elected president of AFC and FIFA executive  
4 committee. And Co-Conspirator #2 was elected to the -- excuse  
5 me.

6 And Co-Conspirator #3 was elected to the FIFA  
7 executive committee, and Co-Conspirator #1 was banned for life  
8 from football.

9 I often communicated via e-mail using my personal  
10 AOL e-mail address with Co-Conspirator --

11 May I have a moment?

12 THE COURT: Sure.

13 THE DEFENDANT: Your Honor, I make a mistake on one  
14 of the paragraphs. Can I start it over?

15 THE COURT: Yes. Tell me where you are starting.

16 THE DEFENDANT: The efforts I make on behalf of  
17 Co-Conspirator #2, because I confused with the numbers.

18 THE COURT: Yes.

19 THE DEFENDANT: So I just wanted to clarify.

20 The efforts I made on behalf of Co-Conspirator #2  
21 and Co-Conspirator #3 to oppose Co-Conspirator #1 and his  
22 faction were ultimately successful as Candidate #1 was  
23 ultimately elected president of AFC and the FIFA Executive  
24 Committee, and the Co-Conspirator #2 was elected to the FIFA  
25 executive committee and Co-Conspirator #1 was banned life for

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1 football, soccer.

2 I often communicate via e-mail using my personal AOL  
3 e-mail address with Co-Conspirator #3 and his assistant about  
4 payment I received from him and Co-Conspirator #2 and about  
5 our effort to convince other AFC Federation officers to oppose  
6 Co-Conspirator #1 and install such officer in position of the  
7 power of AFC.

8 With respect to both of these two scams, I  
9 understood that I and the soccer official who I understood  
10 were to receive bribe, owed a duty of trust and loyalty to the  
11 soccer federations they represent and to the AFC and FIFA, and  
12 that they would violate that duty by using their position of  
13 authority and trust to enrich themselves by accepting or  
14 agreeing to accept bribe or kickback.

15 I did not disclose the bribe payments to FIFA, to  
16 AFC or to anyone at the relevant soccer federations and I  
17 understood that no one else would disclose such payment  
18 either.

19 THE COURT: Thank you, Mr. Lai. With respect to  
20 Count 2, are you waiving any venue challenge to have the case  
21 brought here as opposed to the Eastern District of Virginia or  
22 in Guam?

23 THE DEFENDANT: Yes, Your Honor.

24 THE COURT: I gather that the Government would rely  
25 on the e-mail traffic or the path --

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1 MR. TUCHMANN: Yes, Your Honor.

2 THE COURT: -- to establish the Eastern District of  
3 Virginia venue?

4 MR. TUCHMANN: Yes, Your Honor.

5 THE COURT: Okay. One other thing I wanted to  
6 clarify for the record, you referenced OCA. Is that the  
7 Olympic Council of Asia?

8 THE DEFENDANT: Yes.

9 THE COURT: Proceed to Count 3?

10 THE DEFENDANT: It's about my foreign bank account  
11 reporting. Related to Count 3, since at least June of 2010 I  
12 understood that because I am a U.S. citizen, if in any year I  
13 owned or controlled any bank account outside the United States  
14 or its territory including Guam with a combined value of more  
15 than \$10,000, I was required by federal law to report any such  
16 bank account to my accountant who prepared my taxes so he  
17 could report the account to the federal government.

18 Since at least 2009 I have owned or controlled such  
19 foreign bank accounts; at various times at HSBC Bank in Hong  
20 Kong, HSBC Bank in the Philippines and Hang Seng bank in Hong  
21 Kong. But because I did not want the federal government to  
22 know about those accounts so I could avoid paying taxes on  
23 them, so I did not tell any accountant about them.

24 THE COURT: Is there anything else I should ask of  
25 Mr. Lai?

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1 MR. TUCHMANN: Just, I guess, Your Honor, regarding  
2 that Count 3, inquire if some of the funds that he received in  
3 bribes and kickbacks went into any of those foreign accounts.

4 THE COURT: Mr. Lai, did you understand the  
5 question?

6 THE DEFENDANT: Yes.

7 THE COURT: Did the money that you got from any of  
8 these schemes go into those bank accounts?

9 THE DEFENDANT: Yes, they did.

10 THE COURT: Did, in fact, the money you discussed go  
11 into each of those bank accounts, the three that you  
12 described?

13 THE DEFENDANT: I believe so.

14 THE COURT: And those bank accounts had values of  
15 \$10,000 or more, or actually more than \$10,000 during the  
16 period of time you described, from 2009 onward?

17 THE DEFENDANT: Yes, Your Honor.

18 THE COURT: Okay. So as far as you knew and  
19 believed, you were supposed to have reported starting in 2009  
20 the fact and the balances for those accounts, those three  
21 accounts, that you mentioned; is that right?

22 THE DEFENDANT: Yes.

23 THE COURT: Anything else?

24 MR. TUCHMANN: No, Your Honor.

25 THE COURT: All right. Based on my observations of

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1 the defendant and his demeanor, as well as his answers to my  
2 questions and the representations of his counsel, I do find  
3 that Mr. Lai is fully competent and capable of entering an  
4 informed plea; that he is aware of the nature of the charges  
5 and the consequences of his plea and that his plea of guilt as  
6 to these three offenses or counts is knowing and voluntary and  
7 is supported by an independent basis in fact, as supplied by  
8 his allocution with some additional representation or proffers  
9 by the Government.

10 I, therefore, accept your guilty plea, Mr. Lai, as  
11 to Counts 1 through 3 of the Information. As I mentioned  
12 before, a written pre-sentence report will be prepared to  
13 assist me and the parties at the time of sentencing. You will  
14 be asked to give information for that report.

15 Typically that's in the form of an interview by a  
16 probation officer. My guess is that that will be conducted by  
17 a probation officer in Guam, since that is where you reside.

18 You have the right to have your counsel,  
19 Mr. Rapadas, participate in that interview, even if it is  
20 remote. He could probably be connected via Skype or some  
21 other videoconferencing service.

22 Do you want Mr. Rapadas to participate in that  
23 interview?

24 THE DEFENDANT: Yes, Your Honor.

25 THE COURT: Okay. You and your attorneys, as I

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1 mentioned before, will have an opportunity to review the  
2 pre-sentence report and make any objections you think are  
3 appropriate, as will the Government.

4 The date for sentencing will be decided by the  
5 Probation Department once they prepare that report.

6 Is there anything else that we need to address; The  
7 matter of bail?

8 MR. TUCHMANN: Yes. Before we do that, Your Honor,  
9 I have a preliminary order of forfeiture to hand up to the  
10 court.

11 THE COURT: Okay.

12 MR. TUCHMANN: And it includes a reference to  
13 defendant consenting to forfeiture of at least \$870,000, as  
14 well as amounts to be determined based upon some further  
15 records that we are gathering.

16 THE COURT: Are you aware of this, Mr. Rapadas, the  
17 forfeiture?

18 MR. RAPADAS: Yes, Your Honor.

19 THE COURT: And is there any objection to this  
20 order?

21 MR. RAPADAS: No, Your Honor.

22 THE COURT: I gather it is consistent with the plea  
23 agreement?

24 MR. TUCHMANN: Yes, Your Honor.

25 THE COURT: I'll go ahead and sign that.

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1 Anything else?

2 MR. TUCHMANN: Yes, Your Honor. With respect to  
3 bond, the parties have conferred and reached an agreement.  
4 There are just a couple of issues. It's a little complicated  
5 perhaps because of the defendant's residence in Guam.

6 The basic point is that we have an agreement for a  
7 bond of \$1 million to be supported by the signatures of the  
8 defendant and his wife, as well as a condominium in the State  
9 of Washington that he and his wife jointly own with a value,  
10 without any mortgage, the equity of approximately \$1 million  
11 or a little less.

12 THE COURT: It looks like 900,000 maybe.

13 MR. TUCHMANN: Approximately \$900,000 in equity.

14 THE COURT: And that's co-owned by the wife and the  
15 defendant?

16 MR. TUCHMANN: Correct. Yes, Your Honor. The wife  
17 will also sign the bond.

18 THE COURT: In Guam?

19 MR. TUCHMANN: She's actually in the State of  
20 Washington and what we're going to try and do is have her sign  
21 it at federal court walk-in in Seattle tomorrow or today --  
22 either today or tomorrow hopefully.

23 Hopefully we can get that done today, if not  
24 tomorrow. If not, then perhaps in Guam the following week,  
25 where the defendant and his wife will be. So what I would



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1 suggest is that we give the defendant and his wife a week to  
2 have the wife sign the bond whether in Washington or in Guam.

3 THE COURT: Okay.

4 MR. TUCHMANN: And --

5 THE COURT: Conditions?

6 MR. TUCHMANN: The conditions, I was wondering about  
7 that. We don't have a date for a -- I'm not familiar and I  
8 don't believe Mr. Rapadas is familiar yet or perhaps has  
9 recently become familiar with the process of obtaining a  
10 Confession of Judgment on property in the State of Washington  
11 where the property is.

12 MR. RAPADAS: For the record, I'm in communication  
13 with a law firm out there that's very familiar with it and  
14 they will be working with me on that.

15 THE COURT: How much time do you want for that? Two  
16 weeks?

17 MR. RAPADAS: Let's say two weeks, but we're going  
18 to try to get it done tomorrow. We're going to try.

19 MR. TUCHMANN: To be safe, let's say two weeks then  
20 which is -- two weeks from today is --

21 THE COURTROOM DEPUTY: May 11th.

22 THE COURT: Let's make a single deadline for the  
23 wife to sign the bond as well as the Confession of Judgment to  
24 be filed.

25 MR. TUCHMANN: Sure. Okay. There's no date for the

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1 wife to sign here, but that will be incorporated in whatever  
2 order Your Honor issues now.

3 THE COURT: Correct. So May 11th.

4 MR. TUCHMANN: So with respect to the defendants,  
5 the bond conditions, just that he be placed under supervision  
6 of Pretrial Services as directed by Pretrial Services and any  
7 particular conditions regarding that.

8 With respect to the location we have an attachment  
9 we've written out which we would attach to the bond which  
10 proposes that the defendant report to Pretrial Services in  
11 Guam on or before May 8th.

12 THE COURT: Okay.

13 MR. TUCHMANN: At which time he will surrender all  
14 of his passports to that office, including the U.S. passport  
15 and also the Hong Kong passport which he will surrender at  
16 that time.

17 THE COURT: Let me ask a question that I feel like I  
18 should know the answer to, but does someone who lives in Guam  
19 need passport to travel to the continental U.S.?

20 MR. TUCHMANN: Yes, Your Honor. My understanding as  
21 it's been represented to me, it's not technically but  
22 practically, yes. I'll go into that with the conditions that  
23 we propose; that the defendant reside in Guam and be  
24 supervised by Pretrial Services there; that without prior  
25 permission of the court or Pretrial Services, he may travel to

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1 Hawaii, California, Oregon, the State of Washington, the  
2 Eastern and Southern Districts of New York and the District of  
3 New Jersey.

4 And that also without prior permission of the court  
5 that he may retrieve his U.S. passport from Pretrial Services  
6 in Guam for the purpose of traveling to those locations.

7 THE COURT: But for no other purpose?

8 MR. TUCHMANN: Correct, if he provides the Pretrial  
9 Services officer in Guam his travel itinerary showing he's  
10 going to those locations. The travel to those locations may  
11 also include a transit stop of up to 24 hours in Japan. I've  
12 come to learn that geographically often travel from Guam to  
13 the continental United States involves a stop in Japan.

14 Again, it's a transit stop and it must be listed on  
15 the travel itinerary to be provided to Pretrial Services.

16 Court permission is required for any other release  
17 of the defendant's U.S. passport or for travel other than  
18 those specified listed in three and four, which is those  
19 locations.

20 THE COURT: Otherwise, the Government is not seeking  
21 any other restrictions such as curfew or anything else while  
22 he's in Guam?

23 MR. TUCHMANN: No, Your Honor.

24 THE COURT: All right. I gather that is your  
25 understanding as well?

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1 MR. RAPADAS: Yes, Your Honor. He's an active  
2 businessman and he needs to be running his business.  
3 Sometimes it takes him certain past dates and times.

4 I want to be clear though, I want to make sure that  
5 that first "without permission" condition was -- I think I was  
6 hearing that, and it may be only to -- for certain reasons.

7 MR. TUCHMANN: No.

8 MR. RAPADAS: I want to make sure he could travel  
9 freely.

10 MR. TUCHMANN: Within those locations without prior  
11 permission.

12 THE COURT: I am so glad the two of you understand  
13 each other because there isn't a full sentence.

14 MR. TUCHMANN: Your Honor, there's one other issue  
15 regarding that, the location, and I have a letter to be filed  
16 under seal. I'll hand up a copy by hand regarding travel that  
17 defendant had already planned to take outside the country  
18 before May 8th and so if I can hand up a copy to the court.

19 THE COURT: That the Government does not oppose.

20 MR. TUCHMANN: The Government does not oppose, but  
21 we would just get court permission pursuant to that letter.

22 THE COURT: All right. Because he is not reporting  
23 to Pretrial Services until May 8th?

24 MR. TUCHMANN: Correct.

25 THE COURT: Understood. I am going to adopt the

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1 bail package proposed by the Government with the deadline of  
2 May 11th for the filing of the Confession of Judgment as well  
3 as the signature of the wife on the bond in Guam or in the  
4 State of Washington.

5 I have also signed the preliminary forfeiture order  
6 or the order of forfeiture, and I am going to allow the  
7 request of Mr. Lai to travel before May 8th, and that will be  
8 docketed today as well under seal.

9 I'm going to return to the Government, or have  
10 already returned to the Government, the plea agreement.

11 MR. TUCHMANN: And for the bond, Your Honor, the  
12 defendant just needs to sign. I think it should be set  
13 though.

14 THE COURT: I will take a look and then I will sign  
15 that.

16 I think that covers everything, right? Does that  
17 cover everything?

18 MR. TUCHMANN: Yes, Your Honor.

19 THE COURT: The Pretrial Services officer is  
20 patiently waiting to say something here.

21 You are going to get a copy of this?

22 MR. ABBOTT: Yes, Your Honor.

23 THE COURT: I'm going to endorse the bail release  
24 form.

25 MR. TUCHMANN: Regarding Mr. Lai's wife's signature,

1 I think Mr. Rapadas should coordinate with the clerk's office  
2 here to coordinate with the clerk's office in the court in  
3 Washington to arrange for that or in Guam.

4 THE COURT: That's fine. Pursuant to this she is  
5 allowed to sign in either Guam or in the State of Washington.

6 MR. TUCHMANN: Yes.

7 THE COURT: I am sure you will work all of that out.  
8 Thank you, everyone. Are we good?

9 MR. TUCHMANN: Yes, Your Honor.

10 MR. RAPADAS: Yes.

11 THE COURT: Good luck, Mr. Lai.

12 THE DEFENDANT: Thank you.

13 THE COURT: Yes, go ahead, Mr. Tuchmann.

14 MR. TUCHMANN: The Government moves for the court at  
15 this time to replace John Doe in the caption of this case with  
16 the defendant's name.

17 THE COURT: Any objection?

18 MR. RAPADAS: No, Your Honor.

19 THE COURT: That will be done.

20 (Matter concludes.)

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22 *I (we) certify that the foregoing is a correct transcript*  
23 *from the record of proceedings in the above-entitled matter.*

24 /s/ Sophie Nolan  
SOPHIE NOLAN

April 28, 2017  
Date

25